



# **Deferred Compensation as Salary**

## **Preliminary Report**

**WASHINGTON STATE  
Law Enforcement Officers' and Fire Fighters'  
Plan 2 Retirement Board**

**December 8, 2005**

# Deferred Compensation

- Key Issues
  - Qualified defined contribution plans
  - Employer contributions
  - In lieu of non-includable payments

# Qualified Plans

- Issue
  - 401(a) & 401(k) Plans not included in statute
- Policy Option
  - Add plans to definition of basic salary

# Employer Contributions

- Issue
  - Guaranteed contributions are in
  - Matching contributions are out
- Option
  - Include any employer contributions to a deferred compensation plan as basic salary

# In Lieu of Non-Includable Payments

- Issue
  - Deferred compensation may be excluded if it is considered a payment in lieu of a non-includable payment
- Option
  - Include any employer contributions to a program defined as basic salary

# Summary

- Other qualified plans
- Employer contributions
- Payments in lieu of

# Questions?